

**2018-19 Annual General Meeting  
Treasurer's Report  
June 19, 2019**

I am pleased to present the Treasurer's Report for Southlake Regional Health Centre Board of Directors.

Southlake has once again successfully met the balanced budget requirements of the Hospital Service Accountability Agreement, achieving an excess of revenues over expenses of \$5.2 million for 2018/19. After accounting for other capital items, such as building depreciation, building grants, and interest expense, a total excess of revenue over expenses of \$157 thousand for the year was reported. The hospital current ratio improved to 0.49 from an opening position of 0.43. The current ratio performance is heavily influenced by \$28 million of short-term borrowing for the hospital's new health information system at March 31<sup>st</sup>. This short term borrowing will be converted to long-term borrowing in 2019/20 in accordance with the Board's approved strategy for financing this project. Once this borrowing is executed, the current ratio will return to the target contained in the hospital working capital improvement plan. The hospital remains on track for a current ratio of at least 0.8 in 2020.

The financial results are a noteworthy accomplishment given the challenges faced by the healthcare sector. Thank you to the entire team of skilled healthcare professionals across the organization for this positive result. As we look ahead to 2019/20, the Board of Directors is mindful of the need to sustain the improvements in financial performance while continuing to plan for the future by completing the hospital's master plan as well as new and improved space for our mental health patients and staff. The creation of Ontario Health Teams also provides a new and exciting opportunity for Southlake and its healthcare partners to shape the future of healthcare.

Your package includes copies of the audited financial statements for the year ending March 31, 2019. I would like to express thanks to our auditors, Deloitte LLP, and members of the Southlake Audit Committee for their services and feedback. I commend the Southlake Finance team who worked hard preparing for the audit, and who consistently prepared monthly information required by the Board throughout the year.

The Board of Directors acknowledges the support of the Ministry of Health and Long-Term Care and the Central Local Health Integration Network, our Regional and Municipal Governments, the Southlake Foundation, and generous people from our community, all of whom contributed greatly to the financial success of the hospital.

Respectfully submitted,



Paul Roberts